STAT
Declassified in Part - Sanitized Copy Approved for Release @ 50-Yr

2013/11/08 : CIA-RDP74-00297R000601240007-5

How About Those Security Cases?"

STAT

Here Are Some Inside Facts

Such grave problems of Americans' civil rights have been created by the firing of many federal employes as "security risks" that Congress has recently established a non-partisan committee to investigate the whole program. This article contains startling information—some previously unpublished—to help you judge the rights and wrongs of the controversy

By Richard and Gladys Harkness

TRANGE are the events that followed, some years later, publication in the Washington Post in 1950 of a letter signed "Joseph S. Petersen, Jr." The letter read:

Under the guise of "security," numerous sins are being committed. The welfare of the nation is of supreme importance, but the right of an individual to "life, liberty and the pursuit of happiness" is one of supreme importance, too. . . .

Such criticism of the Administration's crackdown on "security risks" among Government employes is still not uncommon. "Suppose they are unconventional in their personal lives? That's no affair of the Government's; they still have a right to their jobs."

Oddly enough, the 1954 security

case of Joseph S. Petersen, Jr.—who wrote that letter in 1950—is convincing answer to these criticisms. The details of the story, until now locked in secret files, are here published for the first time.

Petersen, cleared for loyalty under Truman, was inherited by the Eisenhower Administration as an employe in an enterprise even more hush-hush than the Central Intelligence Agency. He was on the staff of the National Security Agency, which is responsible for deciphering secret codes used by foreign powers. Even in Washington, few were aware of the agency's existence, since the name of the National Security Agency was kept out of print. When, after Eisenhower's election, the National Security Agency received allegations that Petersen

Declassified in Part - Sanitized Copy Approved for Release @ 50-Yr 2013/11/08 : CIA-RDP74-00297R000601240007-5

Declassified in Part - Sanitized Copy Approved for Release @ 50-Yr 2013/11/08: CIA-RDP74-00297R000601240007-5

rechecked immediately.

When it was discovered that highly classified material had disappeared from National Security Agency files, the matter was turned over to the FBI.

The investigation of Petersen was painstaking. He lived quietly in a modest apartment in Arlington, Va. His job rating was "satisfactory." It would have been "outstanding" except for a trait of instability—a tendency to disappear from his desk without explanation for weeks at a time. That one word—instability was a clue. For Petersen had become a potential security risk through al-

On the afternoon of September 28, 1954, FBI agents called on Peter-

regations concerning aberrant habits.

sen and, while exchanging pleasantries, sized up the tall, gaunt, be-

spectacled code expert.

"Mr. Petersen," an agent said, "we know all about you by now. You'll feel better in your own mind if you tell us about it."

The agents detected a fleeting look of surprise on Petersen's face. One investigator went on, "Look, Pete. Why don't you go home and sleep on it? You can call us in the morning."

Next morning Petersen phoned the Washington FBI Field Office.

> "I want to see you," he said. "I have something for you."

> The FBI men had no idea what to expect as they drove to Virginia. If Petersen had been a trained observer, he would have seen the surprise in their eyes as he produced a document from which the cover had been removed. The remaining sheets contained a jumble of apparently meaningless ciphers.

> "That's fine, Pete," one of the agents said evenly. "Fine as far as it goes. But there's more. We'll be back this afternoon."

> Officials of the National Security Agency identified the code as one of four missing documents.

RICHARD HARKNESS has been distinguished as a Washington correspondent for 20 years—for the United Press, then the Philadelphia Inquirer and, since 1943, the National Broadcasting Company.

For this article, he and his wife Gladys spent months studying the Government's loyalty-security program, with the full cooperation of the White House, the Department of Justice and other agencies concerned. The Harknesses examined not only the facts but the human implications of the program with Secretary of State Dulles, Attorney General Brownell and other key officials. Senators and Congressmen of varied political opinions opened their files to show typical complaints from citizens caught in security snarls. The authors interviewed over 100 federal jobholders involved in hearings and their attorneys, as well as investigators, scientists, employes of Government contractors. Among other things, they attended loyaltysecurity seminars held by Freedom House in New York, the American Civil Liberties Union and the American Political Science Assn. in Washington.

Their second article, dealing with admitted mistakes and alleged injustices in the program, will appear in a later issue.

Declassified in Part - Sanitized Copy Approved for Release @ 50-Yr 2013/11/08 : CIA-RDP74-00297R000601240007-5 ation-intelligence ac-

to safeguard its secrets. Double wire fences surrounded its two gray headquarters buildings. Security police patrolled the premises day and night. All classified material was kept locked in safes with three tumblers.

Yet here was an NSA staff man in possession of a basic counterespionage document! The document was not only "top secret" but carried a code word that cannot be made public even now. It was a classification applied only to material "the disclosure of which could result in exceptionally grave danger to the nation."

The next day, Petersen came clean. He allowed the FBI men to search his apartment. There, on the shelf in a closet, were the other missing NSA documents. We had broken the North Korean Political Security code used by the Reds in the Korean War, and Petersen had a copy. Another document consisted of notes, in his own handwriting, of material which the Government still refuses to identify because of potential repercussions on Capitol Hill and in capitals around the world.

Meanwhile, the FBI had been back-checking Petersen's activities. It uncovered evidence that he had relayed the purloined information to two employes of a foreign government.

Petersen decided to plead guilty to a charge that he "knowingly used classified information concerning tivities of the United States and of foreign governments." Judge Albert V. Bryan, visibly shaken by the Government's description of the Petersen documents, called the defendant to come up to the bench for sentencing.

There stood a Government employe uncovered through the recheck of federal workers ordered by President Eisenhower. A single clue had developed proof that Petersen was a "security risk." Judge Bryan sentenced Petersen to serve seven years in a federal penitentiary.

This is but one of numerous cases that have developed since the President's executive order, in 1953, establishing the following criteria for investigating a federal employe's trustworthiness: "Any criminal, infamous, dishonest, immoral or notoriously disgraceful conduct, habitual use of intoxicants to excess, drug addiction or sexual perversion. Any facts which furnish reason to believe that the individual may be subjected to coercion, influence or pressure which may cause him to act contrary to the best interests of the national security."

Under those standards a Defense Department employe may be loyal. But if he cannot resist that third, tongue-loosening Martini at a cocktail party, he may be discharged as a security risk. A Government secretary in the Atomic Energy Commission may be loyal, sober and efficient. But if she is inclined to gossip about confidential letters dictated by

Declassified in Part - Sanitized Copy Approved for Release @ 50-Yr 2013/11/08 : CIA-RDP74-00297R000601240007-5

ject to discharge. Certainly in testing liability to "coercion, influence or pressure" by foreign agents, any immoral and perverted sex practices by people on the Government payroll are highly pertinent.

The underlying principle is that a place on the federal payroll is not a *right* but a privilege, with the safety of the United States entitled to the benefit of any doubt.

The sordid combination of immorality or homosexuality and blackmail has been a tool of espionage through the ages. Soviet agents are known to delve into the personal lives of figures in American Government for signs of weakness. In 1952, when General Eisenhower was being boomed

for the Republican nomination, MVD headquarters in Moscow instructed its operatives to concentrate on the General to procure "any information of a current nature which might be used for bargaining purposes" in the event of his election.

Communists and pro-Communists were directed to deliver to Moscow "complete data on J. Edgar Hoover," including information on his character, hours he spent alone, his associates, advance travel plans

The Way Red Blackmail Works

Convinced that research knew no barriers of geography or ideology, a scientist had passed largely harmless information to a Communist cell leader before Pearl Harbor. With the war, he was transferred to a secret defense project engaged in developing a new explosive second only to the atomic bomb in destructive force.

In 1943 he was approached by the same Communist, who went straight to the point: He wanted the formula for the new weapon. The scientist refused, but the Communist agent was blunt: The man had furnished information to the Soviet previously. He would do so now, or pay the price of exposure.

Had the Government employe taken his story to the FBI, he would have been protected. Probably he would have been supplied with a bogus formula to pass to the spy. But the scientist yielded to the Communist threat. He is now serving a sentence for espionage in a federal penitentiary.

The explosive he betrayed was used by the Chinese Reds against American troops in Korea.

on Government business or recreation, hotels and specific rooms assigned to him. A similar order through the Soviet Embassy in Washington called for close scrutiny of the wife of a high-ranking Army officer, now retired.

A married federal official met an attractive girl at a social function in Washington. He later saw her frequently. She became pregnant, and suggested that she be attended by a certain doctor in New York. The

Declassified in Part - Sanitized Copy Approved for Release @ 50-Yr 2013/11/08 : CIA-RDP74-00297R000601240007-5 J. Edgar Hoover.

was on the monthly payroll of a Soviet-front establishment. The father was discharged from his Government position before the next step in the Red scheme—a demand for classified information as the price of silence.

The FBI discovered that an attaché of a Red satellite embassy in Washington, known to be an espionage agent, had become acquainted with two Government employes in sensitive positions (how, the FBI never learned). A check revealed that both federal workers were homosexuals—obvious grounds for exploitation by the Communist spy. The two were quietly discharged as security risks; the Red agent was suddenly "recalled" by his home government.

The Communists prey mainly on homosexuals. A Soviet intelligence official, newly defected, furnished American authorities with detailed information on these tactics. A favorite procedure is to lure unstable Americans employed along the Iron Curtain in Germany into homosexual acts, and photograph them with hidden cameras. Often the pressure on the victim is not applied at once. They may be unmolested for years—and then face a demand for cooperation with Red spy rings under threat of exposure.

Homosexuality figured at least in part in the defection to the Communists of Dr. Otto John, whose duties as counter-intelligence chief in Berlin made him the West German

John's companion the night he crossed the border into East Berlin was a known Red sympathizer for whom John had developed an unnatural affinity. FBI files document many such cases.

Since the advent of the Eisenhower loyalty-security program, the Government has discharged 788 homosexuals, or permitted them to resign upon presentation of allega-. tions. The statistics include 469 from sensitive Government agencies dealing directly with national defense or security. When the current loyaltysecurity screening procedure had been in effect only seven months, the Central Intelligence Agency had ejected 31 individuals for sexual perversion. CIA officials finally awakened to the fact that it was informing the enemy that we had security risks in our first line of security defense. Published reports on Government loyalty-security no longer include figures from the CIA.

To understand the origin of these procedures we must go back to January 23, 1953. That day Attorney General Herbert Brownell, Jr., took his oath as the nation's new chief law-enforcement officer. On his desk was the secret report he had requested from J. Edgar Hoover of the FBI.

Brownell felt cold sweat of alarm in his palms as he read and reread the document. The head of the FBI was officially warning the incoming Administration of a "clear and present danger" to the country's security.

Declassified in Part - Sanitized Copy Approved for Release @ 50-Yr 2013/11/08 : CIA-RDP74-00297R000601240007-5 ment Foreign Serv-

vealed to the public for the first time. It presented a startling picture of underground Communist penetration of the Government and named individuals who should be seized immediately in the event of war with Soviet Russia—just as the FBI seized Nazi and Fascist agents with Pearl Harbor.

Hoover submitted to his new chief for reconsideration the names of 48 Government officials and employes, each cleared under the Truman loyalty program, but who were considered "most critical" cases of Communist infiltration or subversion. Another 165, eligible for federal positions under the old loyalty standards, and on whom the new Administration wished to check. were employes known by the FBI through "evidence or their own admissions" to have present or past Communist affiliations. Beyond that, 17,816 more federal workers, the subjects of previous loyalty investigations on whom there was "derogatory information" in FBI files, had either been cleared under the previous Administration or the FBI had not been notified of the disposition of their cases. These allegations should be proved or disproved, especially where these employes occupied sensitive jobs.

Hoover cited specific examples from his confidential files. To protect the national interest and disguise FBI counter-espionage techniques, these cases must be paraphrased even now. The following are typical: ice officer: Responsible for employment of known Communist spy with direct Soviet Embassy contacts in sensitive position in Justice Department. . . .

An Interior Department engineer: Employed federal project supplying hydroelectric power to key atomic installation . . . worked early 1940's for Soviet purchasing agency . . . currently contacted by Soviet functionaries, including espionage agents known to be operating among federal workers. . . .

A Defense Department guard: Signed Communist Party nominating petition in 1946 . . . made speeches idolizing Lenin and Stalin . . . still employed in position passing on admittance of military and civilian personnel to vaults containing "top secret" military film....

A U. N. Economic and Social Council economist: Member of United Public Workers of America, expelled by CIO for Communist domination . . . arranged blind date for U. N. official with girl connected with Rosenberg atomic-bomb spy ring . . . passenger on Polish ship, S.S. Batory, when Communist agent Gerhart Eisler fled to East Germany . . . charged to U. S. quota of U. N. employes. . . .

A clerk in investigative branch of federal personnel agency: Father and brother Communist Party members . . . father former employe of Russian Embassy and Amtorg . . . active member prior to 1942 in two Communist-front organizations . . . recommended for dismissal as early as 1942 . . . recommendation overruled on appeal by Truman Loyalty Review Board . . . still had access to confidential files on

Declassified in Part - Sanitized Copy Approved for Release @ 50-Yr 2013/11/08 : CIA-RDP74-00297R000601240007-5 hen discharged with

ply information to be used as pressure or blackmail to induce Government workers to serve as espionage contacts....

A U.S. Information officer: Close association with Communists and Party-liners while attached to American Embassy in Latin America... brother-in-law active Communist and Party member since 1933...allegedly used official position to "obstruct, hamper or nullify" American policies designed to embarrass the U.S.S.R. and her satellites....

Brownell closed the file and went straightway to the White House. President Eisenhower shared his concern. He felt that the Hoover report, as summarized by the Attorney General, presented the new Administration with a problem no less urgent than ending the war in Korea. And he ordered immediate development of the loyalty-security program which has ever since been under attack by some critics who consider it a threat to civil liberties.

Among the questions such critics ask are these:

Is it fair to recheck federal workers previously cleared—isn't that double jeopardy?

The previously mentioned case of Joseph S. Petersen, Jr.—easily cleared under the Truman program but convicted and imprisoned after a second screening—is sufficient answer to that.

May Government employes be suspended without pay on the basis of confidential information, given a no right to confront their accusers?

The answer is "Yes." And this occasions the most plausible strictures against the loyalty-security program. An employe is dismissed as a result of anonymous charges, and is not even allowed to face or question his accuser.

But consider the reason for the policy, and its results.

The Justice Department in 1954 brought charges against five Communist Party members, who conducted Communist training schools and directed infiltration into aircraft and electronic-defense plants in the St. Louis area during the war.

At the trial the defendants were stunned by the parade of Government witnesses. There was Mrs. Anna Hanners, aircraft-plant secretary, who joined the Communist Party in 1942 at the request of the FBI. There was Thomas A. Younglove, a St. Louis cement contractor and an FBI "plant" in the Party since 1945. Then came a Negro minister, the Rev. Obadiah Jones, an undercover agent for the FBI since 1946. They all testified on a wealth of inside information.

If the five Reds were surprised by the revelations from within their own ranks, they were caught completely off guard by the next witness. William Walter Cortor testified that he joined an "electrical fraction" of the Communist Party in 1937, and volunteered his services to the FBI in 1950. Mrs. Mary Kaufman, attorney for two of the Com-

Declassified in Part - Sanitized Copy Approved for Release @ 50-Yr 3 2013/11/08 : CIA-RDP74-00297R000601240007-5 d cross-examination, he

counsel table. Normally she was cool and calculating, but now her face twitched in agitation as she asked the judge to send the jury from the room.

Mrs. Kaufman revealed that, even after the trial was under way, Cortor had sat in on a defense-strategy huddle to plan the cross-examination of Mr. Jones. Mrs. Kaufman asserted that the FBI had "interfered with and entered into the defense of this case," and demanded a mistrial. Cortor testified he did not discuss the case with Government lawyers, so the motion was overruled. Finally the jury found the five Communists guilty on the first ballot.

The St. Louis case remains a classic in FBI files. The Bureau had infiltrated so many informants into the inner councils of the Party that its agents informed on one another. Only as each individual took the stand to testify did the Government's informers learn the true identity of one another.

The victory was important, but the price paid was heavy. It cost the Government the four agents in the Communist Party whose "covers were blown" when they "surfaced" to testify. Younglove, for instance, had reported some 500 Party members and 3000 fellow travelers to the FBI. His lists included defense-plant workers. In security proceedings resulting from his information he had never been identified. Had he appeared at any hearing for conwould have been expelled from the the Party long ago. The Government would have been deprived of his decisive testimony in the St. Louis case.

The FBI also gathers information, especially in security cases, from doctors, lawyers, ministers, bankers, as well as friends, neighbors and fellow employes. Obviously many such individuals will talk only if guaranteed their names will not be used.

The point is that the "confrontation" demanded by critics of the program would rapidly dissipate and in the end destroy the entire network of Government informants. And let's remember that by information thus obtained and otherwise unobtainable the Communist conspiracy to destroy the very civil liberties we are concerned with here has been weakened.

For the Communist Party is today in a state of near-panic. Eighty-eight of its top leaders have been convicted of the 134 who were indicted, and others are awaiting trial. Thanks to the FBI and the Administration's loyalty-security program, Communist leaders have had to contrive their own system of loyalty-security checks.

Each of the Party's estimated 21,000 members must answer a questionnaire more intimate and prying more deeply into individual affairs and thoughts than any questions put to federal employes. The Communists' interrogatory, obtained from confidential Washington sources, in-

Declassified in Part - Sanitized Copy Approved for Release @ 50-Yr 2013/11/08 : CIA-RDP74-00297R000601240007-5 at he had received a

Have you had extra-marital relations since you have been married? If so, with whom and how often? If you owe any debts, either to individuals, banks, loan agencies, or as a result of obligations due on purchase of autos, furniture, etc., list the amount owed, and to whom, and for what purpose.

The Party's methods in grilling John Lautner, a Party member for 21 years whom they suspected of informing, are illuminating. They subjected him to a kangaroo-court procedure reflecting the twisted minds of terrorists. Hungarianborn, bushy-haired, bespectacled John Lautner was lured to Cleveland. Still unsuspecting, he joined a group in the basement of a house. There, in the garish light of a single unshaded light bulb, Lautner was forced to strip and sit on a stool.

A loaded pistol was held at his head. A Communist goon beat the cellar wall with a rubber hose. Lautner's wrists were taped to what he was told was a "lie detector." To escape, Lautner scrawled a dictated "confession." Despite his innocence, he pleaded guilty to being a "Fascist enemy traitor to the working class"

"fair and impartial" trial.

Lautner's revulsion against such heavy-handed torture brought him to the side of our Government. He was a federal witness in the Smith Act trial which resulted in the conviction of 13 Communist officials for advocating "the overthrow of the Government by force."

Administration officials are the first to admit that any screening of American citizens for loyalty and security poses serious questions. Even Congress, casting aside partisan politics in this politically loaded program, has established a non-partisan commission of 12 to make a six-months' study of the knotty problem: Where is the line to be drawn between the Government's undeniable need of self-protection and an individual's civil liberties?

We should not attempt to answer that question without considering thoughtfully the facts stated in this article. And we should remember that the Eisenhower loyalty-security program must be credited with setting back the Communist conspiracy within the United States and making it increasingly difficult for Reds to penetrate the Government.

•] •] •

Mothers Know Best

ONE MOTHER to another: "I never realized the value of education until the children went back to school."

—Margaret Aitken in Toronto Telegram

MOTHER warning her teen-age daughter against early marriages: "Just remember, the early bird catches the worm!"

-Contributed by Marcia Buchanan Seyfarth

Declassified in Part - Sanitized Copy Approved for Release @ 50-Yr 2013/11/08 : CIA-RDP74-00297R000601240007-5